

CONFLICT OF INTEREST POLICY - XYZ Organization

Copyright © 2009, Alyson Ball, BoardsThatExcel.com

This Conflict of Interest Policy has been adopted by the board of XYZ Organization on mm.dd.yyyy. In the event that this Conflict of Interest Policy needs to be amended, the Board Development Committee will recommend changes to be voted on by the entire board. A quorum of the board is required to amend this Conflict of Interest Policy.

Definition of a Conflict of Interest

A Conflict of Interest occurs whenever there is a conflict (or appearance of a conflict) between the private interests and the professional responsibilities of board members, staff members, or volunteers. Whenever the organization is considering a relationship with a supplier, partner or client, we realize that the potential for a conflict of interest exists. In addition to business transactions these situations are considered conflicts of interest:

1. Board members related to other board members
2. Staff members supervising family members
3. Board members being considered for employment

Notification of Employees, Board Members, and Volunteers

This Conflict of Interest Policy (with examples) will be discussed in employee, board member, and volunteer orientations. Each new employee, board member, and volunteer will sign the Conflict of Interest Statement (attached) at their orientations.

Annually, all paid employees, board members, and volunteers will discuss this Conflict of Interest Policy and will re-sign the Conflict of Interest Statement. This re-signing will take place during the first month of each fiscal year.

These parties are responsible for ensuring this policy is understood and signed statements are current:

1. With the cooperation of the Board Development Committee, the Chairperson of the Board will discuss the Conflict of Interest Policy and collect the signed Conflict of Interest Statements from each board member at the first board meeting of each year.
2. The Executive Director (or his/her designee) is responsible to discuss the Conflict of Interest Policy and collect the Conflict of Interest Statement from each employee and

volunteer during the first month of the fiscal year. (This can be done in meetings or in one-on-one sessions.)

Maintaining the Records for the Conflict of Interest Statements

All Conflict of Interest Statements that are signed by staff members will be kept in their personnel files. All volunteer Conflict of Interest Statements will be kept with the volunteer records. All Conflict of Interest Statements that are signed by board members will be kept in the files of the Board Development Committee.

Disclosing and Managing Potential Conflicts of Interest

Staff members and volunteers will notify the Executive Director if they have a potential conflict of interest – or if they believe anyone else is facing a potential conflict of interest. The Executive Director will notify the Chairperson of the Board within a week of learning about a potential conflict of interest from an employee or volunteer.

Board members should notify the Chairperson of the Board if they learn of a potential conflict of interest.

When the Board Chair is notified of the potential conflict of interest, s/he will notify the Board Development Committee within one week.

The Board Development Committee will investigate, discuss and determine how to handle each situation. This could include: (1) notifying the board, staff and/or volunteers about the potential conflict, (2) excusing the individual from decision-making pertaining to this topic, or (3) removing the option that benefits the board member, employee, or volunteer from consideration.

At the next board meeting, the Board Development Committee will present a description of the circumstances and actions taken to resolve the situation. These will be entered into the board's meeting minutes.

Standards and Penalties

XYZ Organization holds ourselves to the highest ethical standards and, through this policy, wants to discuss any potential conflicts of interest that may affect our business.

The penalty for non-compliance with this policy can be severe – up to and including termination from employment, volunteer status, or a request for resignation from the board.

CONFLICT OF INTEREST STATEMENT

XYZ Organization

I, _____ (name), understand that this Conflict of Interest Policy for XYZ Organization pertains to all paid staff, volunteers, and board members.

I have read the Conflict of Interest Policy.

I understand that a conflict of interest may occur in business transactions between XYZ Organization and businesses that are owned by me or my relatives. Additionally, if I (or my relatives) could personally benefit in any way from decisions or actions that are being made by XYZ, there is a potential conflict of interest.

I understand that it is my obligation to notify the organization's Executive Director or the Chairperson of the Board of any potential or real conflicts of interest.

I understand that the Board Development Committee (on behalf of the Board of Directors) will discuss the situation with me and others and will determine how to handle each situation.

I also understand that I may be asked to resign from the board or my volunteer position, or I may be terminated from employment, if I do not disclose potential conflicts of interest.

I, _____ (print name), understand this Conflict of Interest Statement and agree to abide by this Policy.

SIGNATURE: _____

DATE: _____